

Board Meeting
May 17, 2007

TUITION RATES, ACADEMIC YEAR 2008

Action: Approval of Tuition Rates for Academic Year 2008

Funding: No Funding Required

The University's resource needs are shaped by five overarching priorities growing out of the University's strategic plan: (1) develop the Urbana campus into the nation's preeminent public research university; (2) develop the Chicago campus into the nation's premier urban public research university; (3) position the University of Illinois Medical Center and health sciences colleges for the next quarter century; (4) develop the Springfield campus into one of the nation's top five small public liberal arts universities; and (5) develop the Global Campus Partnership. Securing the resources to achieve these five strategic priorities for the University of Illinois will depend on the relative strength of each component within the partnership of the Compact, including the State of Illinois, students and their families, private benefactors, and University leadership and faculty. Finally, as part of a multi-year resource planning structure, the 5-Year/\$500 Million Plan (5/\$500) reviewed with and endorsed by the Board established an annual target of \$100.0 million per year to support these major priorities. In FY 2007, the first in the 5/\$500 framework, the University raised \$96.8 million toward the \$100.0 million goal.

At their meeting on September 7, 2006, members of the Board of Trustees discussed in detail the University's resource needs for Academic Year 2008 and approved the University's Budget Request for FY 2008. The request focused on three major areas: (1) strengthen academic quality (including faculty and staff salary competitiveness); (2) address facility operations needs; and (3) meet inflationary and other essential cost increases. At the request of the Board, an in-depth review and discussion of faculty salary competitiveness issues took place at the Board's meeting on November 7, 2006, at which time the Board reaffirmed its support for the salary competitiveness objective. In addition, the Board discussed the need for and purposes of multi-year resource planning at their January 18, 2007, meeting.

Consistent with the Compact and to help provide the financial resources to achieve the University's goals, it will be necessary to increase tuition levels in Academic Year 2008 as well as redirect a significant portion of existing funds to high-priority activities. These high-priority expenditures include making strategic investments to reduce class sizes and student/faculty ratios in high-demand academic programs, paying for continuing cost increases (especially in the areas of library acquisitions and in energy), increasing financial aid to ensure access for low-income students, and providing competitive salary increases to retain our most productive faculty and staff.

Following extensive reviews and recommendations from the Provosts and the Chancellors at each campus in consultation with the President and Vice Presidents of the University, faculty, and students, the Vice President for Planning and Administration and the Vice President/Chief Financial Officer recommend approval of the following increases in the guaranteed levels for undergraduate students: \$322 per semester at the

Chicago campus; \$366 per semester at the Urbana campus; and \$17.75 per credit hour at the Springfield campus. These tuition increases apply to students who are enrolled in the general undergraduate degree programs. The tuition rates for new students with guaranteed tuition who enroll after the spring 2007 semester will not increase for four years to comply with the tuition guarantee legislation, Public Act 93-0228. This legislation ensures that an incoming student will pay a fixed tuition rate for four years. The Guaranteed Tuition program provides predictability in tuition costs with a four-year annual increase of 3.66 percent which is lower than students experience at many other institutions competing with the University of Illinois.

For full-time general undergraduate students at the non-guaranteed tuition level, whose tuition charges increase annually, the rate increase for FY 2008 would be \$218 per semester at the Chicago campus, \$249 per semester at the Urbana campus, and \$15.75 per credit hour at the Springfield campus.

In addition to base tuition, differential charges apply for students in selected academic programs as outlined in the attached table. For FY 2008, there are new undergraduate differentials proposed at the Chicago campus for science students in Liberal Arts and Sciences (\$500 per semester) and Human Nutrition (\$315 per semester) and for Agricultural, Consumer and Environmental Sciences students (\$1,000 per semester for the Department of Animal Sciences (ANSC), the Department of Food Science and Human Nutrition (FSHN), the Technical Systems Management Program in the Department of Agricultural and Biological Engineering (TSM/ABE), and \$500 per semester for the Department of Crop Sciences (CPSC) and the Department of Natural Resources and Environmental Sciences (NRES)) at the Urbana campus. At the graduate

level, new differential rates are proposed for master's students in three new programs at the Chicago campus: Architecture in Health Design (\$4,000 per semester), Computing and Information Technology (\$3,168 per semester), and Energy Engineering (\$3,168 per semester). At the Springfield campus, tuition will also increase by the additional \$8.25 per credit hour that was approved by the Board of Trustees on January 20, 2005.

At the graduate and professional levels, tuition increases are recommended for several specific programs. All tuition recommendations are summarized in the attached table. The new tuition rates become effective during the fall semester 2007, but apply to the cohort of new students who enter in May of 2007 or after.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.